

## **Amendment Exhibit**

At the request of Commission staff, the parties are amending their Assignment Application to include forms of the Security Agreement and Promissory Note referenced in the Asset Purchase Agreement attached to the Assignment Application. Neither the Security Agreement nor the Promissory Note have been signed, and the parties have not yet prepared a UCC-1.

The Security Agreement makes clear that Collateral covered by the Security Agreement does not include the FCC Licenses. *See* Security Agreement Section 1. The Security Agreement further requires that neither a Secured Party nor a court appointed Receiver may take any action pursuant to the Security Agreement that would result in an assignment of the FCC Licenses requiring prior FCC approval without first obtaining such prior approval. Finally, the parties hereby acknowledge their obligation under the Commission's rules not to use the FCC Licenses as collateral.

## SUBORDINATED SECURITY AGREEMENT

**THIS SUBORDINATED SECURITY AGREEMENT** (this “**Security Agreement**” or this “**Agreement**”) is made and given as of the \_\_\_ day of October, 2022, by **Glasgow Media Group, LLC**, an Montana Limited Liability Company (“**Debtor**”), in favor of **Glasgow Broadcasting Corp.**, a Montana corporation (“**Secured Party**”). The parties hereto shall be known individually as a “**Party**” and collectively as the “**Parties**”.

### WITNESSETH

**WHEREAS**, pursuant to the terms of that certain Asset Purchase Agreement by and between Debtor and Secured Party dated as of October \_\_\_, 2022, (the “**Purchase Agreement**”), Debtor has purchased from Secured Party certain assets (the “**Purchased Assets**”) as described therein, used and useable, tangible and intangible, in the operation of broadcast Stations KLTZ(AM), Glasgow, Montana (Facility ID No. 24243), KLAN, Glasgow, Montana (Facility ID No. 70633), and K273DB, Glasgow, Montana (Facility ID No. 200656) licensed by the Federal Communications Commission (the “**FCC**” or “**Commission**”) (the “**Stations**”), including the Stations’ licenses and other authorizations issued by the FCC (the “**FCC Licenses**”);

**WHEREAS**, Debtor has executed and delivered to Secured Party a Secured Promissory Note (the “**Note**”) in the amount of Three Hundred and Forty-Five Thousand Dollars (\$345,000.00); and

**WHEREAS**, in order to secure payment of the Note, the interest, and any other amounts due and owing to Secured Party thereunder, Debtor has agreed to grant a security interest to Secured Party, as hereinafter defined, in certain assets of Debtor described below.

**NOW THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows.

1. Creation of Security Interest.

Debtor hereby conveys, assigns, and grants to Secured Party a second priority security interest in and to the Tangible Personal Property including without limitation, all furniture, furnishings, fixtures, accessions, and equipment now or hereafter owned by it, including all substitutions, additions, renewals, betterments, and modifications thereof and spare parts therefor, located in or on or pertaining to, or used or useful in the operation of, the Stations (the “**Collateral**”). This second priority security interest is subject to the terms and conditions of that certain Senior Security Agreement, dated October \_\_\_, 2022 by and among **[BANK]** (the “**Senior Debt Holder**”), Debtor, and Secured Party (the “**Senior Security Agreement**”). The security interest in the Collateral includes without limitation, those items set forth in Article 2 of the Purchase Agreement, except for the FCC Licenses, and all property of a similar type or kind to be used or useable in the operation of the Stations now owned or hereafter acquired by Debtor. This security interest is granted for the purpose of securing the following (the “**Secured Obligations**”):

(a) Payment by Debtor to Secured Party of the indebtedness evidenced by the Note executed by Debtor, and delivered to and payable to the order of Secured Party, and any and all modifications, extensions, and renewals thereof;

(b) Performance of all other obligations of Debtor contained in the Note; and

(c) The due and punctual performance of all terms and conditions contained in the Purchase Agreement and this Security Agreement.

2. Warranties, Representations, and Covenants of Debtor.

Debtor hereby warrants, represents, and covenants as follows:

(a) Debtor is, and as to Collateral to be acquired after the date hereof will be, the sole owner of the Collateral, free from any adverse lien, security interest, or adverse claim of any kind whatsoever, except the Senior Security Agreement, mechanics' liens, and liens of broadcast equipment manufacturers in connection with equipment leases incurred in good faith and in the ordinary course of business. Debtor will notify Secured Party of and will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(b) The Collateral shall not be used for personal, family, or household purposes, and shall be used only for the operation of the Stations.

(c) Debtor authorizes Secured Party to prepare and file or record one or more financing statements or like documents, and any necessary extensions thereof, in form satisfactory to Secured Party, in all public offices wherever filing or recording is deemed by Secured Party to be necessary or appropriate to perfect and otherwise evidence its security interest hereunder and if needed and requested by Secured Party to execute any such statements or documents where required under applicable law. Debtor hereby agrees to do such further acts and things and to execute and deliver to Secured Party any additional conveyances, assignments, agreements, statements, and instruments or documents as Secured Party may reasonably deem necessary to effectuate this Security Agreement.

(d) Debtor shall not, without the prior written consent of Secured Party, sell, offer to sell, or otherwise transfer, exchange, or dispose of all or any part of the Collateral or any interest therein, except for the disposal of items which are obsolete or are consumed or worn out in ordinary usage (which Debtor shall promptly replace). If the Collateral or any part thereof is sold, transferred, exchanged, or otherwise disposed of (either with or without the written consent of Secured Party), the security interest of Secured Party shall extend to the proceeds of such sale, transfer, exchange, or other disposition. Additionally, if any such Collateral are replaced by assets of equal or greater value, the replacements shall be subject to this Security Agreement.

(e) Debtor shall cause the Collateral at all times to be kept insured, at no expense to Secured Party, to its full insurable value under one or more policies with such companies, for such periods and amount, against such risk and liabilities, with loss payable to Secured Party as its interests may appear.

(f) Debtor shall keep the Collateral free from any adverse lien, security interest, or encumbrance and in good condition as repair, and will not misuse, abuse, allow deteriorating, wasting or destroying of the Collateral or any part thereof, except for ordinary wear and tear of its normal and expected use. Debtor will not permit the aggregate value of the

Collateral to become materially diminished or reduced (except for normal wear and tear and depreciation) and will keep the same up to its present standard quantity, quality, and value.

(g) Debtor will promptly pay, when due, all taxes, charges, rents, royalties, and assessments, including penalties and interest, which are or may become a lien on the Collateral or any part thereof, except to the extent that they may be contested in good faith and by appropriate proceedings.

3. Preservation of Collateral by Secured Party.

Should Debtor fail or refuse to make any payment, perform or observe any other covenant, condition, or obligation, or take any other action which Debtor is obligated hereunder to make, perform, observe, take or do at the time or in the manner herein provided, then Secured Party may, at Secured Party's sole discretion, without notice to or demand upon Debtor and without releasing Debtor from any obligations, covenant, or condition hereof, make, perform, or take any action Secured Party may deem necessary to protect the security interest in or the value of the Collateral. Debtor shall reimburse Secured Party for any expenses reasonably incurred by Secured Party in the pursuit and execution of its rights under this Section 3 within fifteen (15) calendar days of receipt of written request from Secured Party.

4. Use of Collateral by Debtor.

So long as there is no Event of Default (as hereinafter defined) which has not been cured, Debtor may retain possession of the Collateral and use it in any lawful manner not inconsistent with this Security Agreement and any policy of insurance thereon.

5. Default.

The occurrence of any of the following events shall constitute an event of default ("**Event of Default**") by Debtor:

(a) Non-Payment. Failure of Debtor to make any payment when due and payable under the Obligations;

(b) Violation. Failure of Debtor, within ten (10) calendar days after receipt from Secured Party of notice of non-compliance, to comply with or perform any provision of this Security Agreement or any other documents evidencing the Secured Obligations;

(c) Misrepresentation. Materially false or misleading representations, warranties, covenants, or agreements made or given by or on behalf of Debtor in connection with this Security Agreement, the Senior Security Agreement, the Purchase Agreement, and any other documents or agreements relating to the transaction;

(d) Note. The occurrence of a default or Event of Default under the Note;

(e) Collateral. Any material loss, theft, damage, or destruction of any of the Collateral, without prompt repair or replacement thereof by Debtor; provided, however, that if insurance proceeds covering such loss, theft, damage, or destruction are applied by Debtor or

Secured Party to the reduction of indebtedness secured hereby, then such failure to replace shall not constitute an Event of Default hereunder;

(f) Levy. Subjection of the Collateral to levy of execution or other judicial process;

(g) Governmental Non-Compliance. Debtor shall materially fail to comply with a final order or decree, no longer subject to administrative or judicial review, of any federal, state, municipal, or other governmental authority of competent jurisdiction, relating to the Collateral and requiring compliance with any applicable statute, requirement, rule, or regulation;

(h) Insolvency. Commencement of any insolvency proceeding by or against Debtor; provided, however, that it shall not be an Event of Default in the case of a petition filed against Debtor unless such petition is not dismissed within thirty (30) calendar days after such filing, or if a general assignment for the benefit of creditors be made by Debtor;

(i) Termination of Business Activities. The cessation by Debtor of its business activities; or

(j) Impairment of Security. Any waiver made by Debtor that materially impairs the collectability of an account due to Secured Party.

6. Remedies Upon Default.

Upon the occurrence of any Event of Default, at the sole option of the Secured Party, subject, however, to the limitations set forth in the Senior Security Agreement and the provisions of Section 7 hereof, the Secured Parties shall have all the rights, remedies, and privileges with respect to repossession, retention, and sale of the Collateral and disposition of the proceeds as are accorded to the Secured Party by the applicable sections of the Uniform Commercial Code respecting "Default" in effect in the State of Montana, as of the date of this Security Agreement, including but not limited to:

(a) Declare all obligations secured hereby to be immediately due and payable, whereupon all unpaid principal of said indebtedness and other amounts declared due and payable shall be and become immediately due and payable.

(b) By means of a court-appointed Receiver, who shall thereafter take possession of all or any of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions, and improvements to and exercise all rights and powers of Debtor with respect to the Collateral or any part thereof to include without limitation the following:

(i) Without notice to or demand upon Debtor, make such payments and do such acts necessary to protect Debtor's security interest in the Collateral, including without limitation, paying, purchasing, contesting, or compromising any encumbrance, charge, or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith;

(ii) Foreclose this Security Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Secured Party by any document executed by Debtor in connection therewith, either simultaneously or in such order as Secured Party may determine; and sell or cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral described in this Security Agreement, without affecting in any way the rights or remedies to which Secured Party may be entitled under any other instruments;

(iii) Sell, lease or otherwise dispose of the Collateral at public or private sale, without having the Collateral at the place of sale, and upon terms and in such manner as Secured Party may determine (and Secured Party may be a purchaser at any sale); or

(iv) Exercise all the rights and remedies available under this Security Agreement or at law or in equity, including, but not limited to, all rights available under the Montana Uniform Commercial Code and as applicable, all rights and remedies under the Purchase Agreement, and including, but not limited to, a right to seek monetary damages, with or without exercising Secured Party's rights or remedies with respect to the Collateral. These rights and remedies shall be cumulative and may be exercised singly or concurrently with all other rights and remedies Secured Party may have.

(c) Debtor shall be given not less than ten (10) business days' prior written notice of the time and place of any public or private sale of the collateral or other intended disposition thereof to be made. Such notice may be mailed to Debtor at the address set forth in Section 9 hereof. Debtor specifically agrees that any public or private sale held in accordance with the terms of the Security Agreement shall, for all other purposes, be deemed to have been conducted in a commercially reasonable manner and in good faith, and the proceeds of any sale under this Security Agreement shall be applied as follows:

(i) To the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the liens hereof (except any taxes, assessments, encumbrances, charges, or liens subject to which such sale shall have been made);

(ii) To the payment of the whole amount then due and unpaid of the indebtedness of Debtor to Secured Party (including principal and interest) referred to in Sub-section 1(a) above;

(iii) To the payment of other amounts (including principal) then secured hereby; and

(iv) The surplus, if any, shall be paid to Debtor or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

(d) Secured Party shall have the right to enforce one or more remedies hereunder, successively, or concurrently, and such action shall not operate to stop or prevent Secured Party from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral, pursuant to the terms hereof, shall not operate to release Debtor until full payment of any deficiency has been made in cash.

7. FCC Approval.

Notwithstanding anything to the contrary contained herein, Secured Party or a court-appointed Receiver shall not take any action pursuant to this Security Agreement which would constitute or result in any assignment of a license authorized by the FCC for the operation of the Stations or any change of control of the licensee of the Stations if such assignment of license or change of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such prior approval of the FCC. Debtor agrees to take or cause to be taken, by Debtor, any actions which Secured Party may lawfully request in order to obtain and enjoy the full rights and benefits granted to Secured Party by this Security Agreement and each other agreement, instrument, and document delivered to Secured Party in connection herewith, including specifically, at Debtor's own cost and expense, the use of Debtor's commercially reasonable efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Security Agreement which is then required by law.

8. Inspection of Records.

Debtor shall, during normal business hours and upon reasonable advance notice, allow Secured Party, by or through any of its officers, agents, attorneys, or accountants, to examine, inspect, or make extracts from Debtor's books and records and to arrange for verification or inspection of the Collateral. Debtor shall furnish to Secured Party, upon reasonable request, statements of any Collateral, together with all notes or other papers evidencing the same and any guaranty, securities, or other documents or information relating thereto. Additionally, at Secured Party's request, Debtor shall provide financial statements and/or other verification as to the overall health and financial well-being of Debtor and/or Debtor's subsidiaries and affiliates.

9. Notices, Demands, and Requests.

All notices, requests, demands, and other communications hereunder shall be given in writing and shall be: (a) personally delivered; (b) sent by electronic mail with delivery confirmation; or (c) sent to the parties at their respective addresses indicated herein by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service. The respective addresses to be used for all such notices, demands or requests are as follows:

If intended for Secured Party, to:

Glasgow Broadcasting Corp.  
104 West Gallatin Street  
Livingston, MT 59047  
Attention: Jann Holter Berntsen  
Tel: 406-222-8230  
Email: jannink@aol.com  
Email cc: swandal.law@gmail.com

If intended to Debtor, to:

Glasgow Media Group, LLC  
PO Box 671  
Glasgow, MT 59230  
Attention: Tim Phillips  
Tel: 406-263-1144  
Email: tim@kltz.com

With a copy to:

Seth L. Williams  
Fletcher, Heald & Hildreth, PLC  
1300 North 17th Street, Suite 1100  
Arlington, VA 22209  
Tel.: 703-812-0479  
Email: williams@fhhlaw.com

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal; and if sent by U.S. mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any Party to this Security Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section.

10. No Waiver by Secured Party.

By exercising or failing to exercise any of its rights, options, or elections hereunder, Secured Party shall not be deemed to have waived any breach or Event of Default on the part of Debtor or to have released Debtor from any of the obligations secured hereby, unless such waiver or release is in writing and is signed by Secured Party.

11. Further Security Agreements.

From time to time, Debtor will execute such further instruments as Secured Party may reasonably require, in order to protect, preserve, and maintain the security interest granted hereby. Secured Party shall execute and deliver to Debtor, at Debtor's expense, termination statements at such time that all indebtedness and all obligations to Secured Party have been satisfied in full.

12. Attorneys' Fees.

All charges, expenses, and costs, including but not limited to reasonable attorneys' fees and appellate counsel fees, which may be reasonably incurred in the enforcement of this Security

Agreement, shall be paid to the prevailing Party by the other Party hereto. In the event of foreclosure, the Debtor shall be liable to Secured Party for all legal fees and court costs associated with the foregoing.

13. Assignment.

This Agreement may not be assigned or transferred by Debtor without the prior written consent of Secured Party. Secured Party shall have the unconditional right to assign or transfer this Agreement and shall notify Debtor of any such action in writing within thirty (30) calendar days of such assignment or transfer. No such permitted assignment shall, however, release the assigning Party from any of its obligations under this Agreement or related documents, except with the express written consent of the other Party.

14. Binding upon Successors.

All agreements, covenants, conditions, and provisions of this Security Agreement shall inure to the benefit of Secured Party and its successors and assigns and shall apply to and bind the successors and permitted assigns of Debtor hereto, and also the successors in interest to Debtor in substantially all of the Collateral.

15. Headings.

The captions or headings at the beginning of each paragraph hereof are for the convenience of the Parties only and are not a part of this Security Agreement.

16. Governing Law.

This Security Agreement shall be construed and interpreted according to the internal laws of the State of Montana, with consideration given to the rules and policies of the FCC, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

17. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Security Agreement, facsimile signatures or signatures delivered in PDF format shall be treated the same as original signatures.

18. Amendment.

This Security Agreement may be amended, modified, or rescinded only by a writing expressly referring to this Security Agreement, signed by all the Parties hereto.

19. Severability.

If any one or more of the provisions contained in this Agreement should be found invalid, illegal or unenforceable, in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum

extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

20. Confidentiality. Debtor agrees to keep confidential all information it receives or has received during the course of the negotiations in connection with the transaction contemplated herein or relating to the business operations of Secured Party, provided that Debtor may disclose such information to its professional advisors, agents, and any financial institution which it may be dealing with in connection with the proposed financing of the transactions contemplated herein, or as required by law. In the event that the transaction contemplated hereby is not consummated for any reason, Debtor shall promptly return to Secured Party all materials acquired by Debtor from Secured Party with respect to the Stations and the associated assets and intangibles, and provide to Secured Party the names and addresses of any and all persons, firms or other entities who have viewed or received information with respect to the proposed sale of the Stations (together with a meaningful description of the materials viewed or received by each of them).

21. Entire Agreement. This instrument embodies the entire agreement between the parties hereto and supersedes all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing between the parties with respect to the transactions contemplated herein

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Parties hereto have duly executed or caused this Security Agreement to be executed as of the day and year first written above.

**DEBTOR:**

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Glasgow Media Group, LLC  
By: Tim Phillips  
Title: Managing Member

**SECURED PARTY:**

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Glasgow Broadcasting Corp.  
By: Jann Holter Berntsen  
Title: President

**WITNESS:**

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Print Name: \_\_\_\_\_

## SECURED PROMISSORY NOTE

U.S. \$345,000.00

Montana

October \_\_, 2022

**FOR VALUE RECEIVED, Glasgow Media Group, LLC**, a Montana limited liability company (“**Maker**”), hereby makes this Secured Promissory Note (this “**Note**”) and unconditionally promises to pay to the order of **Glasgow Broadcasting Corp.**, a Montana corporation, or its assigns (“**Holder**”) the principal amount of Three Hundred and Forty-Five Thousand Dollars (\$345,000.00), in lawful money of the United States of America and in immediately available funds, together with interest thereon.

1. Purchase Agreement. This Note has been executed and delivered pursuant to, and is subject to certain terms and conditions set forth in, that certain Asset Purchase Agreements dated as of October \_\_, 2022 by and between Holder and Maker pertaining to broadcast Stations KLTZ(AM), Glasgow, Montana (Facility ID No. 24243), KLAN, Glasgow, Montana (Facility ID No. 70633), and K273DB, Glasgow, Montana (Facility ID No. 200656) (the “**Purchase Agreement**”). All capitalized terms used in this Note but not otherwise defined shall have the respective meanings given to such terms in the Purchase Agreement.

2. Payment of Principal and Interest. The outstanding principal balance of this Note, together with all accrued but unpaid interest thereon, shall be due and payable as follows:

(a) Maker shall pay One Hundred Thousand Dollars (\$100,000.00) of the principal sum, plus interest, to Holder on July 1st, 2026. This portion of the outstanding principal balance hereof shall accrue simple interest at the rate of five percent (5%) per annum, beginning from the date of Closing of the Purchase Agreement; and

(b) Maker shall pay to Holder the remaining principal sum of Two Hundred and Forty-Five Thousand Dollars (\$245,000.00) over a fifteen (15) year period in equal monthly payments of principal and interest in the amount of One Thousand Six Hundred Ninety-One and 93/100 Dollars (\$1,691.93), due and payable beginning on the first (1st) day of the calendar month following the Closing, and continuing on the first (1st) day of each calendar month thereafter. This portion of the outstanding principal balance hereof shall accrue simple interest at the rate of 3 percent (3%) per annum, beginning from the date of Closing of the Purchase Agreement. In the event a monthly payment is not paid by the tenth (10th) day of each calendar month, Maker shall be deemed to be in Default (as hereinafter defined).

3. Application of Payments. All payments under this Note shall be applied first to any outstanding fees and charges (if any) due to Holder pursuant to the terms of this Note, next to accrued, unpaid interest outstanding under this Note, and last, to principal outstanding under this Note. Notwithstanding the foregoing, if any Event of Default (as hereinafter defined) occurs and is existing under this Note, Holder shall have the right to apply payments toward interest, fees, charges, and principal due under this Note in its sole discretion.

4. Prepayment. Maker shall have the right at any time, upon written notice to Holder, to prepay the outstanding principal balance of this Note in whole or in part without premium or penalty,

provided that such prepayment shall be made together with accrued interest on the amount prepaid to the date of prepayment.

5. Security. Maker's obligations under this Note are secured by all of Maker's right, title, and interest in and to the collateral described in that certain Security Agreement dated as of the date hereof (the "**Security Agreement**"). It is a condition precedent to Holder's obligation to advance funds hereunder that Maker execute and deliver the Security Agreement.

6. Transfer. Holder may not sell, transfer, pledge, hypothecate, or otherwise dispose of this Note without the prior written consent of Maker.

7. Subsequent Sale of Station, Due on Sale.

(a) If Maker shall sell, assign, or otherwise transfer (or seek authorization to do the same) the FCC Licenses of the Station or Maker's rights or interests therein except through a pro forma application on FCC form 316 or its equivalent which may, among other situations, be required as the result of the change in composition of Maker's Managing Members and/or Members over the passage of time, then Holder may exercise its right to demand acceleration of all outstanding principal and interest of this Note, but may defer such demand provided that this Note shall be due and payable in full at the time such transfer is completed, but not later than the end of the Term stated herein.

(b) In the event that the FCC Licenses of the Station are assigned or transferred with payments directed to Maker on an "installment" or "contract" basis, the due-on-sale clause in this Section 7, sub-section (a) above and the right of Holder to demand acceleration as otherwise provided herein shall remain in effect.

8. Events of Default. For purposes of this Note, an "**Event of Default**" or "**Default**" shall mean the occurrence and continuation of any of the following:

(a) failure by Maker to pay any principal or interest on this Note, or any renewal, extension, modification, or rearrangement hereof, within ten (10) calendar days of when due or declared due and such failure to make payment shall continue for a period of five (5) calendar days after written notice of such failure to make payment shall have been given to Maker by Holder; *provided, however*, that Holder shall only be required to deliver three (3) notices to Maker of such payment defaults during the term of this Note, after which time Maker's failure to pay any principal or interest on this Note, or any renewal, extension, modification, or rearrangement hereof, within three (3) calendar days of when due or declared due shall constitute an Event of Default;

(b) filing by Maker of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or consenting to, approving of or acquiescing in any such petition or proceeding; the application by Maker for, or the appointment by consent or acquiescence of, a receiver or trustee for Maker or for all or a substantial part of the assets of Maker; the making by Maker of an assignment for the benefit of creditors; or the inability of Maker or admission by Maker, in writing, of its inability to pay its debts as they mature (the term “acquiescence” as used in this Section 8(b) shall mean the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment, or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee);

(c) filing of an involuntary petition against Maker in bankruptcy seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the involuntary appointment of a receiver or trustee for Maker or for all or a substantial part of the assets of Maker, and such appointment remains unvacated for a period of sixty (60) days or unopposed for a period of ten (10) days from such appointment; or the issuance of a warrant of attachment, execution or similar process against any substantial part of the assets of Maker and such warrant remains unbonded or undismissed for a period of fifteen (15) days from notice to Maker of its issuance;

(d) any “default” or “event of default” not cured within the grace period, if any, for such default or event of default (the terms “default” and “event of default” have the meaning given to such terms in the agreements and documents described below), shall occur under (i) any credit agreement, loan agreement, promissory note, or other document evidencing indebtedness for borrowed money to which Maker is a party as a borrower, debtor, guarantor, or other obligor, or (ii) any security agreement, pledge agreement, guaranty, deed of trust, or other agreement providing guaranty of or security or collateral for indebtedness, executed by Maker;

(e) Maker shall fail to comply in any material respect with any covenant or agreement of contained in this Note, the Purchase Agreement, or the Security Agreement, and such failure shall continue for ten (10) days thereafter, or any representation or warranty of Maker contained in the Purchase Agreement, or the Security Agreement is false or misleading in any material respect when made;

(f) Maker is terminated or dissolved, or ceases to exist as the result of a merger, restructuring, consolidation, or any other reason;

(g) the sale or liquidation of all or substantially all of the assets of Maker, or any subsidiary or affiliate of Maker;

(h) the change of control of Maker, whether by (i) the sale, assignment, transfer, or other disposition of more than fifty percent (50%) of the outstanding ownership interests in Maker, in one or more related transfers, by the persons who beneficially own such ownership interests, (ii) the issuance by Maker of ownership interests in Maker, or (iii), by a combination of the foregoing, unless Holder shall have otherwise consented in writing prior to such change of control;

(i) any of the Purchased Assets are sold, transferred, pledged, encumbered, assigned, or conveyed other than in the ordinary course of business without Holder's prior written consent; or

(j) the Stations cease to be operated by Maker.

9. Remedies. If an Event of Default occurs, Holder shall be entitled to exercise any right, power, or remedy permitted to Holder by law and/or equity.

10. Acceleration. Upon the occurrence and continuation of any Event of Default set forth in Section 8 above, Holder may, in Holder's sole and absolute discretion and upon Maker's receipt of written notice to such effect where applicable, declare the entire principal balance and all accrued but unpaid interest under this Note, if any, to be forthwith due and payable, whereupon the same shall become due and payable without any presentment, acceleration, demand, protest, notice of protest, notice of intent to accelerate, notice of acceleration, or notice of any kind, all of which are hereby waived.

11. Surrender. Upon payment in full of the entire principal amount of this Note, all accrued but unpaid interest thereon and all costs of collection, including reasonable attorneys' fees, this Note shall be surrendered by Holder to Maker for cancellation.

12. Notices. Unless otherwise provided herein, all notices, requests, consents and demands shall be in writing and shall be delivered to the following addresses:

If intended for Holder, to:

Glasgow Broadcasting Corp.  
104 West Gallatin Street  
Livingston, MT 59047  
Attention: Jann Holter Berntsen  
Tel: 406-222-8230  
Email: jannink@aol.com  
Email cc: swandal.law@gmail.com

If intended to Maker, to:

Glasgow Media Group, LLC  
PO Box 671  
Glasgow, MT 59230  
Attention: Tim Phillips  
Tel: 406-263-1144  
Email: tim@kltz.com

With a copy to:

Seth L. Williams  
Fletcher, Heald & Hildreth, PLC  
1300 North 17th Street, Suite 1100  
Arlington, VA 22209  
Tel.: 703-812-0479  
Email: williams@fhhlaw.com

or to such other person or address as either party shall designate to the other party from time to time in writing forwarded in like manner. Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of transmission, if sent by email (but only if a hard copy is also sent by overnight courier), or (iii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, (iv) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy, or (v) at such time as delivery is refused by the addressee upon presentation. The Parties may also communicate with each other informally by telephone or electronic transmission, but such method shall not be used for any notice that has legal significance or consequences.

13. Waiver. No waiver or consent by Holder with respect to any act or omission of Maker on one occasion shall constitute a waiver or consent with respect to any other act or omission by Maker on the same or any other occasion, and no failure on the part of Holder to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Holder of any right hereunder preclude any other further right of exercise thereof or the exercise of any other right.

14. Parties in Interest. All covenants and agreements contained in this Note shall bind and inure to the benefit of the successors and assigns of the parties hereto, except that neither Maker nor Holder may assign its rights or obligations under this Note without the prior written consent of the other party; provided, that Holder may assign this Note to an affiliate or successor-in-interest to Holder without the consent of Maker.

15. Governing law. This note shall be governed by and construed and enforced in accordance with the substantive laws of the state of Montana, without regard to its principles of conflicts of laws.

16. Severability. If any provision of this Note is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Note, such provision shall be fully severable; this Note shall be construed and enforced as if such illegal, invalid, and unenforceable provision had never comprised a part hereof and this Note shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Note.

17. Amendment. No amendment, modification, or discharge of this Note shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification or discharge is sought.

18. No Demand, Presentment. Except for notices provided pursuant to Section 12, Maker hereby waives all notices, presentment for payment, demand, protest, notice of protest and notice of dishonor and agrees to remain bound until the principal and any interest are paid in full, notwithstanding any extension of time for payment that may be granted even though the period or periods of extension be indefinite and not withstanding any inaction by, or failure to assert any legal rights available to, Holder.

19. Rights of Holder. All rights and remedies of Holder are cumulative and concurrent and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy.

20. Attorneys' Fees. If this Note is placed in the hands of an attorney for collection, or if it is collected through bankruptcy or other judicial proceedings, Maker agrees to pay all reasonable expenses of collection including, but not limited to, attorneys' fees, incurred by Holder.

21. Entire Agreement. This note and the agreements referenced herein constitute the entire agreement among the parties concerning the subject matter hereof and thereof. There are no unwritten oral agreements among the parties, and this note and the agreements referenced herein may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties.

[SIGNATURE ON FOLLOWING PAGE]

**IN WITNESS WHEREOF**, the Parties hereto have duly executed or caused this Note to be executed as of the day and year first written above.

**MAKER:**

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Glasgow Media Group, LLC  
By: Tim Phillips  
Title: Managing Member

**HOLDER:**

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Glasgow Broadcasting Corp.  
By: Jann Holter Berntsen  
Title: President

**WITNESS:**

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Print Name: \_\_\_\_\_